

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1041 - HB 1161

March 18, 2021

SUMMARY OF BILL: Requires certain private sales of firearms obtain a Tennessee Bureau of Investigation (TBI) background check conducted through a licensed firearm dealer.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$4,084,900/FY21-22 and Subsequent Years/TBI

Increase State Expenditures - \$250,600/FY21-22 and Subsequent Years/TBI

Assumptions:

- This legislation requires, when neither the seller nor purchaser of a firearm is a licensed gun dealer, that the transaction be completed through a licensed gun dealer, and that the dealer perform the same criminal history record check required for purchases from licensed gun dealers.
- Based on information provided by TBI, approximately 40 percent of all gun sales are conducted without a background check.
- TBI processed an annual average of 612,732 criminal history record checks required for purchases from licensed gun dealers in 2019 and 2020.
- It is estimated that the TBI will process an additional 408,488 $[(612,732 / 60\%) \times 40\%]$ checks each year with the passage of this legislation, for an annual total of 1,021,220 $(612,732 + 408,488)$.
- Pursuant to Tenn. Code Ann. § 39-17-1316(e)(1), the TBI is authorized to charge a reasonable fee, not to exceed \$10.00, for conducting background checks.
- There will be an increase in state revenue to the TBI of \$4,084,880 $(408,488 \times \$10)$ in FY21-22 and subsequent years.
- Given the increase in workload, the TBI would require additional staff, specifically three Criminal History Examiner 3 positions and three Criminal History Examiner 2 positions.
- The recurring increase in state expenditures to TBI related to employment is \$250,584 $\{[(\$34,524 \text{ Criminal History Examiner 3 salary} + \$12,480 \text{ benefits}) \times 3] + [(\$25,536 \text{ Criminal History Examiner 2 salary} + \$10,988 \text{ benefits}) \times 3]\}$ in FY21-22 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

/jg